

1 **WEILAND GOLDEN GOODRICH LLP**
1 Jeffrey I. Golden, State Bar No. 133040
1 jgolden@wglp.com
2 Ryan W. Beall, State Bar No. 313774
2 rbeall@wglp.com
3 650 Town Center Drive, Suite 600
3 Costa Mesa, California 92626
4 Telephone 714-966-1000
4 Facsimile 714-966-1002
5
6 Attorneys for Debtor and Debtor-in-Possession
6 SOUTHERN INYO HEALTHCARE DISTRICT

7
8 **UNITED STATES BANKRUPTCY COURT**
9 **EASTERN DISTRICT OF CALIFORNIA**

10 **FRESNO DIVISION**

11 In re

11 Case No. 1:16-bk-10015-FEC

12 SOUTHERN INYO HEALTHCARE
12 DISTRICT,

12 Chapter 9

13 Debtor.

13 WGG-3

14 **SUPPLEMENTAL DECLARATION OF**
15 **JAQUE HICKMAN IN SUPPORT OF**
15 **AMENDED DEBTOR AND DEBTOR-IN-**
16 **POSSESSION'S RESPONSE TO ORDER**
16 **TO SHOW CAUSE REGARDING**
17 **DISMISSAL**

18 Hearing

18 Date: July 24, 2019

18 Time: 1:30 p.m.

19 Place: Dept. A, Ctrm 11
19 U.S. Bankruptcy Court
20 2500 Tulare Street
20 Fresno, CA 93721

DECLARATION OF JACQUE HICKMAN

I, Jaque Hickman, declare as follows:

4 1. I am the president of the Board of Directors of Southern Inyo Healthcare
5 District ("District"). I am submitting this Declaration in support of the District's Amended
6 *Debtor and Debtor-in-Possession's Response to Order to Show Cause Regarding*
7 *Dismissal ("Response")*. The Board has been diligently working to facilitate increases in
8 revenue to sustain the viability of the District. We have identified additional sources of
9 revenue from operations of the district. All capitalized terms in the Objection are
10 incorporated herein by this reference. The following is within my own personal
11 knowledge, except as otherwise noted, and if called as a witness, I could and would testify
12 competently testify with respect thereto.

13 2. The Board of Directors for the District is taking steps to expand services and
14 implement the services after evaluating the study done by Inyo County regarding what
15 services are needed in the community.

16 3. New revenue services include infusion therapy and swing beds. The district
17 has begun to provide infusion services after receiving a donation of the needed
18 equipment. Swing bed licensing has just occurred and the reimbursement is currently at
19 the rate of \$9,000 per day.

20 4. The District had contracted with an interim Administrator with a focus on
21 increasing revenue, cross-training employees to decreased overtime costs and the ratio of
22 payroll to revenue, assessment of organizational issues, the provision of new services, a
23 focus on a positive public relations message, and a physical plant exterior facelift. We
24 believe this will provide renewed confidence in the view of both the creditors and the
25 community.

26 5. The District proposed an increase in the parcel tax which was put on the
27 ballot in 2018. Although the voting was 57% in favor and 43% against, the measure did

1 not pass as it required two thirds (2/3) approval. I believe that with the progress made as a
2 result of the protections in the bankruptcy and improvements to operations with the new
3 management team, the measure is likely to pass, and the District is looking to introduce
4 the measure on the ballot again.

5 6. The District has established a positive relationship with the City of Los
6 Angeles, Department of Water and Power, (LADWP). LADWP is the largest employer in
7 the District and their employees perform job functions that are highly dangerous and have
8 great risk factors. DWP has been asked if it has funds allocable to local health care,
9 including Emergency Room operations. This negotiation is in progress.

10 7. Great Basin Pollution Control District is considering a grant program to
11 assist the District in capital improvements that will reduce pollution in the air quality by
12 providing funding for capital expenditures such as a new generator, roofing, HVAC
13 systems, and a patient transportation van. This grant program is proposed to be available
14 in the fall of 2019. Having these much needed facility improvements secured through
15 grant funding allows an increase in revenues that can be used for operations.

16 8. The District continues to evaluate all potential sources of revenue and our
17 CFO has aggressively worked to provide a budget that indicates increased control of
18 spending and a look forward projection in the pay-down of aging accounts payable.
19 Please remember that the board had no financial accountings presented to them under
20 HCCA, despite the request for the same. The CFO has also set aside \$370,000 in the
21 Local Agency Investment Fund (LAIF) in the last budget year, and projects \$250,000 in
22 additional funds to be set aside in the current budget.

23 9. The District has aggressively participated in all Prime and IGT opportunities
24 and has established a very positive relationship with the Inyo County Treasury Fund
25 committee. The ICTF committee has recently voted to provide a revolving loan to the
26 District for the purpose of funding PRIME and IGT participatory obligations. This
27 relationship indicates the confidence that now exists between the District Board of

1 Directors and the County funding agency. This relationship had not been positive with
2 former management HCCA.

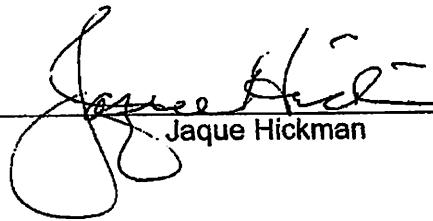
3 10. I will be present at the hearing on the Court's Order to Show Cause on July
4 24, 2019, at 1:30 p.m. in courtroom 11 to answer any questions the Court may have and
5 will continue to update the Court as new developments occur.

6 11. I believe that a confirmable Chapter 9 Plan is feasible and that the District
7 can continue to operate for the benefit of the community and creditors.

8 I declare under penalty of perjury that the foregoing is true and correct.

9 Executed on this 16th day of July, 2019, at Lone Pine, California.

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Jaque Hickman

Weiland Golden Goodrich LLP
650 Town Center Drive, Suite 600
Carmel, California 93923
Tel 707-926-1000 Fax 707-926-1002